



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-570-060

Fine Denier Polyester Staple Fiber from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) preliminarily determines that fine denier polyester staple fiber (fine denier PSF) from the People's Republic of China (PRC) is being, or is likely to be sold in the United States at less than fair value (LTFV). The period of investigation (POI) is October 1, 2016, through March 31, 2017.

FOR FURTHER INFORMATION CONTACT: Edythe Artman or John McGowan, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3931 or (202) 482-3019, respectively.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). The Department published the notice of initiation of this

investigation on June 28, 2017.¹ On October 24, 2017, the Department postponed the preliminary determination of this investigation and the revised deadline is now December 18, 2017.² For a complete description of the events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of topics included in the Preliminary Decision Memorandum is included as Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

Scope of the Investigation

The product covered by this investigation is fine denier PSF from the PRC. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to the Department's regulations,⁴ the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵

¹ *See Fine Denier Polyester Staple Fiber From the People's Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 29023 (June 27, 2017) (*Initiation Notice*).

² *See Fine Denier Polyester Staple Fiber from the People's Republic of China, India, the Republic of Korea, and Taiwan: Postponement of Preliminary Determinations in Less-Than-Fair-Value Investigations*, 82 FR 49178 (October 24, 2017).

³ *See* Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair Value Investigation of Fine Denier Polyester Staple Fiber from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ *See Antidumping Duties; Countervailing Duties: Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁵ *See Initiation Notice*.

Certain interested parties commented on the scope of the investigation as it appeared in the *Initiation Notice*. For a summary of the product coverage comments and rebuttal responses submitted to the record for this preliminary determination, and accompanying discussion and analysis of all comments timely received, *see* the Preliminary Scope Decision Memorandum.⁶ The Department is preliminarily modifying the scope language as it appeared in the *Initiation Notice*. *See* the revised scope in Appendix I to this notice.

Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. The Department has calculated export prices and constructed export prices in accordance with section 772(a) of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, normal value (NV) was calculated in accordance with section 773(c) of the Act.⁷ For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

Combination Rates

In the *Initiation Notice*,⁸ the Department stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁹

Preliminary Determination

⁶ *See* Memorandum, “Fine Denier Polyester Staple Fiber from the Republic of Korea: Scope Comments Decision Memorandum for the Preliminary Determination” (Preliminary Scope Decision Memorandum), dated December 8, 2017.

⁷ Jiangyin Hailun Chemical Fiber Co., Ltd. (Hailun), and Jiangyin Huahong Chemical Fiber Co., Ltd. (Huahong), are the mandatory respondents in this investigation.

⁸ *See Initiation Notice*, 82 FR at 29028.

⁹ *See* Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries,” (April 5, 2005) (Policy Bulletin 05.1), available on the Department’s Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

The Department preliminarily determines that the following estimated weighted-average dumping margins exist:

Producer	Exporter	Weighted-Average Margin	Cash Deposit Adjusted for Subsidy Offset
Jiangyin Hailun Chemical Fiber Co. Ltd./ Jiangyin Xinlun Chemical Fiber Co., Ltd./ Jiangyin Yunlun Chemical Fiber Co., Ltd./ Jiangyin Bolun Chemical Fiber Co., Ltd./Jiangyin Fenghua Synthetic Fiber Co., Ltd./Jiangyin Huamei Special Fiber Co., Ltd./ Jiangyin Huasheng Polymerization Co., Ltd./ Jiangyin Huayi Polymerization Co., Ltd./ Jiangyin Huaxing Synthetic Co., Ltd./ Jiangyin Xingsheng Plastic Co., Ltd. ¹⁰	Jiangyin Hailun Chemical Fiber Co. Ltd.	181.46 percent	170.92 percent
Jiangyin Huahong Chemical Fiber Co., Ltd./ Jiangyin Huakai Polyester Co., Ltd./Jiangyin Hongkai Chemical Fiber Co., Ltd. ¹¹	Jiangyin Huahong Chemical Fiber Co., Ltd.	63.26 percent	52.66 percent
Hangzhou Best Chemical Fiber Co., Ltd.	Hangzhou Best Chemical Fiber Co., Ltd.	122.36 percent	111.79 percent
Cixi Jiangnan Chemical Fiber Co. Ltd.	Cixi Jiangnan Chemical Fiber Co. Ltd.		

¹⁰ The Department preliminarily determines that the following companies are a single entity for dumping purposes: Hailun; Jiangyin Xinlun Chemical Fiber Co., Ltd.; Jiangyin Yunlun Chemical Fiber Co., Ltd.; Jiangyin Bolun Chemical Fiber Co., Ltd.; Jiangyin Fenghua Synthetic Fiber Co., Ltd.; Jiangyin Huamei Special Fiber Co., Ltd.; Jiangyin Huasheng Polymerization Co., Ltd.; Jiangyin Huayi Polymerization Co., Ltd.; Jiangyin Huaxing Synthetic Co., Ltd.; Jiangyin Xingsheng Plastic Co., Ltd. *See* Preliminary Decision Memorandum.

¹¹ The Department preliminarily determines that Huahong, Jiangyin Huakai Polyester Co., Ltd., and Jiangyin Hongkai Chemical Fiber Co., Ltd., are a single entity for dumping purposes. *See* Preliminary Decision Memorandum.

		122.36 percent	111.79 percent
Jiangsu Xinsu Chemical Fiber Co., Ltd.	Jiangsu Xinsu Chemical Fiber Co., Ltd.	122.36 percent	111.79 percent
Jiangyin Jinyan Chemical Fiber Co., Ltd./Jiangsui Xiang He Tai Fiber Technology Co., Ltd.	Jiangyin Jinyan Chemical Fiber Co., Ltd.	122.36 percent	111.79 percent
Jiangsu Hengze Composite Materials Technology Co., Ltd./Chuzhou Prosperity Enviromental Protection Color Fiber Co., Ltd./Jiangsu Xiang He Tai Fiber Technology Co., Ltd./Jiangyin Hengfeng Chemical Fiber Co., Ltd./Jiangyin Shunze Chemical Fiber Co., Ltd.	Jiangyin Yangxi International Trade Co., Ltd.	122.36 percent	111.79 percent
Zhejiang Jinfuchun Industrial Co., Ltd.	Zhejiang Jinfuchun Industrial Co., Ltd.	122.36 percent	111.79 percent
Nanyang Textile Co., Ltd.	Nanyang Textile Co., Ltd.	122.36 percent	111.79 percent
Ningbo Dafa Chemical Fiber Co. Ltd.	Ningbo Dafa Chemical Fiber Co. Ltd.	122.36 percent	111.79 percent
Zhaoqing Tifo New Fibre Co., Ltd.	Zhaoqing Tifo New Fibre Co., Ltd.	122.36 percent	111.79 percent
Jiangyin Yueda Chemical Fiber Limited Company/Hangzhou BenMa Chemical and Spinning Company Ltd./Yizheng Chemical Fiber Limited Liability Company	Unifi Textiles (Suzhou) Co., Ltd.	122.36 percent	111.79 percent
Yuyao Dafa Chemical Fiber Co., Ltd.	Yuyao Dafa Chemical Fiber Co., Ltd.	122.36 percent	111.79 percent
Jiangyin Jindun Chemical Fiber Co., Ltd.	Zhangjiagang City Hongtuo Chemical Fiber	122.36 percent	111.79 percent

	Co., Ltd.		
Zhejiang Huashun Technology Co., Ltd.	Zhejiang Linan Foreign Trade Co., Ltd.	122.36 percent	111.79 percent
Suzhou Zhengbang Chemical Fiber Co., Ltd.	Suzhou Zhengbang Chemical Fiber Co., Ltd.	122.36 percent	111.79 percent
PRC-WIDE ENTITY		181.46 percent	170.92 percent

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, the Department will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit¹² equal to the weighted-average amount by which NV exceeds U.S. price, adjusted where appropriate for export subsidies,¹³ as follows: (1) for the producer/exporter combinations listed in the above table, the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate the Department determines in this preliminary determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not established eligibility for their own separate rates, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under

¹² See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

¹³ See section 772(c)(1)(C) of the Act. Unlike in administrative reviews, the Department does not calculate the adjustment for export subsidies in investigations in the margin calculation program, but in the cash deposit instructions issued to CBP. See, e.g., *Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India*, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter.

To determine the cash deposit rate, the Department normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion CVD proceeding when CVD provisional measures are in effect. Accordingly, where the Department has made a preliminary affirmative determination for domestic subsidy pass-through or export subsidies, the Department has offset the calculated estimated weighted-average dumping margin by the appropriate rate(s). Rates adjusted for export subsidies may be found in the Preliminary Determination section's chart of estimated weighted-average dumping margins above.

As stated previously, we will adjust cash deposit rates by the amount of export subsidies, where appropriate. In the companion CVD investigation, Hailun was also a mandatory respondent and received a calculated export subsidy rate of 10.54 percent, and, thus, we will offset the calculated rate for Hailun by 10.54 percent. Huahong was also a mandatory responding in the companion CVD investigation and received a calculated export subsidy rate of 10.60 percent, and, thus, we will offset the calculated rate for the Huahong by 10.60 percent. For the separate rate companies, which were not mandatory respondents in the companion CVD investigation, we will offset the calculated rate for each of the companies by 10.57 percent, the average of the export subsidy rates for the two mandatory respondents in the companion CVD investigation. Finally, we are adjusting the cash deposit rate for the PRC-wide entity by 10.54 percent, the lowest adjustment for any party in the companion CVD investigation.¹⁴

¹⁴ See Preliminary Decision Memorandum.

Pursuant to 777A(f) of the Act, we also intend to adjust preliminary cash deposit rates for estimated domestic subsidy pass-through, where appropriate. We will make these adjustments after analysis of responses to a double-remedy questionnaire, which we issued to Hailun and Huahong on December 12, 2017.

Should provisional measures in the companion CVD investigation expire prior to the expiration of provisional measures in this LTFV investigation, the Department will direct CBP to begin collecting cash deposits at a rate equal to the estimated weighted-average dumping margins calculated in this preliminary determination unadjusted for export subsidies at the time the CVD provisional measures expire.

These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

The Department intends to disclose its calculations and analysis performed to interested parties in this preliminary determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i) of the Act, the Department intends to verify information relied upon in making its final determination.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding, unless the Secretary alters the time limit. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days

after the deadline for case briefs.¹⁵ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request for a hearing to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

All documents must be filed electronically using ACCESS. An electronically-filed request must be received successfully in its entirety by ACCESS no later than 5:00 p.m. Eastern Time on the established due date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in

¹⁵ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of the Department's regulations requires that a request by exporters for postponement of the final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On November 10 and December 12, 2017, the petitioners and the respondents, respectively, requested that the Department postpone the final determination and extend provisional measures from four months to six months.¹⁶ In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) our preliminary determination is affirmative; (2) the requesting exporter accounts for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, the Department is postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will make our final determination no later than 135 days after the date of publication of this preliminary determination.¹⁷

International Trade Commission Notification

¹⁶ See Letter from the petitioners, "Fine Denier Polyester Staple Fiber from China, India, Korea and Taiwan – Petitioners' Request to Extend the Antidumping Duty Final Determinations", dated November 10, 2017; Letter from the respondents, "Fine Denier Polyester Staple Fiber from the People's Republic of China – Request for Postponement of Final Determination," dated December 12, 2017, *and* People's Republic of China - Petitioners' Request to Extend Final Determination," dated September 11, 2017.

¹⁷ See also 19 CFR 351.210(e).

In accordance with section 733(f) of the Act, the Department will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination or 45 days after the final determination whether these imports are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Dated: December 18, 2017

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is fine denier polyester staple fiber (fine denier PSF), not carded, combed, or pre-opened, measuring less than 3.3 decitex (3 denier) in diameter. The scope covers all fine denier PSF, whether coated or uncoated. The following products are excluded from the scope:

- (1) PSF equal to or greater than 3.3 decitex (more than 3 denier, inclusive) currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 5503.20.0045 and 5503.20.0065.
- (2) Low-melt PSF defined as a bi-component polyester fiber having a polyester fiber component that melts at a lower temperature than the other polyester fiber component, which is currently classifiable under HTSUS subheading 5503.20.0015.

Fine denier PSF is classifiable under the HTSUS subheading 5503.20.0025. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Appendix II

List of Topics Discussed in the Preliminary Decision Memorandum

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